

**CIVIL AVIATION AUTHORITY
MINUTES OF THE 557th BOARD MEETING HELD ON
WEDNESDAY 20 OCTOBER 2021, 11:00, WESTFERRY HOUSE & TEAMS**

Present:

Sir Stephen Hillier

Chair

Richard Moriarty

Rob Bishton

Garry Copeland

Katherine Corich

AVM Simon Edwards

Marykay Fuller

Anne Lambert

Manny Lewis

Paul Smith

Kate Staples

Chris Tingle

Secretary & General Counsel

Apologies:

Jane Hanson

In Attendance:

Ben Alcott

Jane Cosgrove

Peter Drissell

Tim Johnson

Alex Kaufman

Philip Clarke

Graeme Paterson

Barbara Perata-Smith

Minute-taker

Rory Kidger

for item 7

Nic Stevenson

for item 7

Colin Macleod

for item 8

Rosie Whitbread

for item 8

Sean Parker

for item 10

I APOLOGIES AND INTRODUCTIONS

1. Apologies were received from Jane Hanson.
2. The Chair welcomed Garry Copeland and Manny Lewis to their first Board meeting.

II CONFLICTS OF INTEREST, PREVIOUS MINUTES AND MATTERS ARISING

3. No conflicts of interest were declared.
4. For the benefit of the Non-Executive Directors, the Chair confirmed the process by which draft Board minutes were reviewed.
5. Subject to some minor amendments, the minutes of the September Board meeting were approved.
6. It was requested that action 161 remain open.

III CHAIR'S REPORT (DOC 2021-75) BY SIR STEPHEN HILLIER

7. The Chair highlighted that a write-up of the Board Awayday on the development of the CAA's sustainability strategy was included in the CEO's report. It was emphasised that this was a key priority for the CAA and something that the Board would have several opportunities to challenge and influence before the end of the current financial year.
8. The CAA was also working extensively with industry to support the ongoing restart and recovery of the aviation sector. The update under agenda item 5, would provide the Board with an overview of these activities.

IV CHIEF EXECUTIVE REPORT (DOC 2021-76) BY RICHARD MORIARTY

9. The CEO sought the Board's approval for the Terms of Reference (ToR) for the new People Committee. This would bring together the functions of the RemCo and NomCo. If agreed, the ToR would be reviewed in twelve months' time.
10. It was noted that aspects of the People Strategy would need to be plotted against the ToR
11. Regarding para 2.3 of the ToR, it was queried whether a bullet point on 'pay equity' would be added. It was confirmed that this would be looked at in future, but it was highlighted that 'pay equity' might have a different meaning to different audiences.
Decision: The Board approved the People Committee Terms of Reference.
12. In discussing the Board Awayday write-up, the Board asked that the strategy should be more ambitious and be clearer about those areas the CAA was seeking to lead (and where the CAA might need to be a follower) and what the organisation would be doing differently to achieve this.
13. Clarity was also sought on whether the CAA was developing an 'environmental' or 'sustainability' strategy. It was confirmed that the strategy would be focussed on sustainability.
14. The SARG Director noted that the strategy would need to take account of developments and improvements made by industry.
15. The Board also suggested that the strategy acknowledge where trade-offs might need to be made between different factors such as capacity, noise and carbon emissions.
16. It was also suggested that papers coming to the Board should consider the impact of proposals on net zero ambitions as part of the pre-submission checklist.
Action: Barbara Perata-Smith & Tim Johnson
17. The Chair highlighted that the write-up only sought to draw together the range of views discussed at the awayday, but there would be further opportunities for the Board to comment on the strategy in the new year. In the interim however, it was

- emphasised that the CAA needed to have clear messages to share with colleagues internally and with external stakeholders on the steps the organisation was taking to address sustainability concerns.
18. Moving to other parts of the report the CEO highlighted the results of recent pulse surveys on the wellbeing of colleagues and confirmed plans were in place for those areas showing the biggest risk. It was recognised that several areas of the business had experienced sustained pressures that pre-dated the pandemic. Recruitment activity had increased and extra resource engaged in the HR team to progress recruitment more quickly.
 19. It was confirmed that the People Strategy would have a focus on recruiting those at the early stages of their career, including recent graduates.
 20. The Board recognised that it was important to keep abreast of the wellbeing of staff, and that work on the reward strategy could help to ensure that colleagues' contributions were recognised.
 21. The Board also acknowledged that the aviation sector was still under pressure, and that in engaging with the sector, CAA colleagues should be mindful of the industry's challenges.
 22. The Chair reiterated that the 'mojo' of the organisation was a key area of interest for the Board.
 23. The CEO highlighted a number of achievements from across the organisation; CAAi, supported by the CAA's AvSec team, had won the AvSec 'Training Organisation of the Year' award; a colleague in SARG (Dave Howson) had received a Silver Award from the Royal Aeronautical Society, and the first satellites licensed by the CAA had arrived in orbit.

V OVERSIGHT OF OPERATIONAL RAMP-UP AND RECOVERY (DOC 2021-77) BY ROB BISHTON, PETER DRISSELL & PAUL SMITH

24. The SARG Director advised that work was ongoing to support the recovery of industry. It was highlighted that the industry faced many challenges due to the reduction in staff numbers that many businesses had experienced. However, it was confirmed that the industry was starting to operate on a more normal footing, with many of the exemptions put in place by the CAA in 2020, removed.
25. The CMG Director noted that there had been challenges at the border for passengers arriving into the UK. Passengers and airlines had been co-operating by completing and checking the necessary documentation for entry to the UK. It was noted that arrival areas at airports were not well suited to passengers having to wait in long queues. The CAA is keeping a close watch on the performance of services provided for passengers with reduced mobility (PRMs), with concerns about performance due to reductions during the pandemic in staff at airports to provide the necessary support.
26. The AvSec Director advised that some of the procedures and documentation developed by the CAA had been adopted by ICAO. One of the key facets of AvSec's work had been to require airports to designate a senior manager as the 'accountable manager' for security activities.
27. It was noted that some had suggested that the current reopening phase was similar to preparing for seasonal variations in passenger traffic. However, this was not a view that was shared by the CAA, nor was it reflected in the CAA's approach.

28. The CEO advised that during any discussion with Board or senior officials at airports, the issue of safety and security was always highlighted.
29. The Chair noted the close collaboration of different parts of the CAA in supporting the industry safely recover from the pandemic.
30. The Board noted the update.

VI MONTHLY FINANCE REPORT FOR THE FIVE MONTHS TO 31 AUGUST, INCLUDING AN UPDATE ON THE CSR 2021 (DOC 2021-78) BY CHRIS TINGLE

31. The Chief Operating Officer advised that the spending was currently tracking positively to budget and the organisation's income was ahead of budget.
32. There had been no final announcements regarding the Comprehensive Spending Review (CSR), but CAA continued to engage with the DfT.
33. Work on the future finance model was ongoing. Some contributions had been received from the Finance Advisory Committee, but consideration would be given to obtaining feedback from other stakeholders.
34. The Board noted the update.

VII HORIZON: UPDATE ON THE TARGET OPERATING MODEL (DOC 2021-79) BY RORY KIDGER & NIC STEVENSON

35. The Board welcomed Rory Kidger and Nic Stevenson to the meeting.
36. The Board was advised that Horizon had initially been born out of a need to adapt to the pandemic, but the focus had shifted to look more broadly at how the CAA operated to prepare it for a range of future challenges.
37. The paper highlighted a range of workstreams and enhancements that had already been launched, what they had delivered, and what they would continue to deliver over the coming months.
38. The Board suggested that the intended outcomes and measures of Horizon could be clearer and that when these had been achieved, they should be highlighted and evident through a clear project plan. This would help demonstrate tangible results and help maintain the momentum of the project.
39. Noting the costs that had already been incurred in delivering the project, the Board queried whether this represented value for money and how the CAA aimed to measure value for money in future.
40. The Board noted that some of the language regarding Horizon might need to be amended so that it could resonate more easily with colleagues. It was confirmed that internal communications were being developed. As part of this, and in further engagement with the Board, it was suggested that case studies could be presented of how work was currently done, and how it would differ as a result of Horizon.
41. Noting the range of activities that could be affected by Horizon, it was suggested that some time be built into project timetables to allow changes to take effect.
42. The Chair thanked the team for the work that had been achieved to date, particularly as so much of it had been impacted by the pandemic. It was requested that a further update be provided in six months' time.
Action: Rory Kidger & Nic Stevenson
43. The Board noted the report.

VIII SPACE REGULATION STAND-UP AND TRANSITION TO BUSINESS AS USUAL (DOC 2021-81) BY TIM JOHNSON

44. The Board welcomed Colin Macleod and Rosie Whitbread to the meeting.
45. It was advised that the CAA's Space Licensing function had now been stood up and had already issued licences for satellite launches from overseas.
46. The CAA had worked closely with the US Federal Aviation Authority (FAA) in standing up its functions, and was benefitting from the expertise of an FAA secondee.
47. It was confirmed that the CAA needed to seek consent from the Secretary of State to issue a licence, but as regulator, could vary or revoke a licence without consent.
48. From a safety perspective, the legislative regime would require all applicants to demonstrate through a detailed, credible and evidence-based safety case that they had identified all the potential safety risks from a particular space activity and made the risks as low as reasonably practicable. It was emphasised that cost alone would not be an acceptable reason to not implement further reduction in risk. Applicants would also have to have insurance in place to meet their liabilities in the event of an accident.
49. An online portal for licence applications to be made had been developed and an application for a UK-based launch licence had already been received. Further information was required from the applicant before it could be progressed.
50. It was advised that a senior level stakeholder update on the Space Regulation function was being prepared and would be issued in the next few weeks.
51. The Chair raised a query regarding the RAG rating that had been used on the risk register. Clarity was sought on the meaning of 'up' and 'down' arrows. It was confirmed that in this context, an 'up' arrow meant that a risk was increasing, and a 'down' arrow was decreasing. The Chair asked that all CAA risk registers follow a uniform approach.
52. Acknowledging that there were a number of different organisations involved in preparing for launches, it was queried as to which entity had responsibility for managing the interfaces between organisations, particularly for spaceports. It was confirmed that the operator of the launch vehicle would have primary responsibility for ensuring any risks were mitigated. It was also noted that tests of operations and procedures would need to be done prior to launches, and launches would be done without the CAA present. Launches of US craft from the UK would also require approval from the FAA.
53. Noting that space was a key policy area, it was queried how the environmental impacts of launches would be addressed within the CAA's sustainability strategy. It was acknowledged that this was an important point that would require some further consideration, and that Parliament and the UK Government were responsible for the overarching environmental policy for the sector along with any targets.
54. The team also noted that alongside space licences, operators would also need to secure access to both UK and international airspace for operations to take place. The CAA had advised operators of this requirement and was supporting the operators and other parties in considering this issue.
55. The Chair thanked the team for the update and asked that a further update be provided in the new year.

Action: Tim Johnson, Colin Macleod & Rosie Whitbread

56. The Board noted the report.

IX SARG MONTHLY SAFETY ISSUES REPORT (DOC 2021-82) BY ROB BISHTON

57. *Top Safety Risks* - The SARG Director highlighted that of the top 10 safety risks, five were related to the impact of Covid on the sector. However, it was anticipated that the risks would stabilise as operations started to ramp up.
58. It was noted that following recent oversight operations, an emerging risk had been identified regarding the use of remotely piloted aerial systems (RPAS) in certain circumstances. Further oversight work was planned to assess the adverse trends.
59. The Chair enquired as to whether the CAA and Military Aviation Authority (MAA) had visibility of each other's risk registers. It was confirmed that there were frequent discussions between CAA and MAA, and it would be suggested that a cross-check of risks take place.

Action: Rob Bishton

60. *Key Risk Area Analysis (KRA)* – The SARG Director presented an analysis of work to identify and mitigate risks associated with loss of control in flight. It was highlighted that this was a good demonstration of the type of work that SARG teams undertook. It was also advised that further updates on KRA analysis would be provided to the Board at future meetings.
61. In discussion, it was queried where the responsibilities sat within the CAA for managing cyber security risks that could be associated with loss of control of aircraft. It was confirmed that the responsibilities within the CAA were mapped out between SARG and AvSec.
62. It was acknowledged that recruiting people with cyber security experience, particularly for state of design certification roles was challenging. However, the CAA was investigating what steps could be taken to address this, noting that it was important that the CAA had the technical skills to assess new technologies that were emerging from the market.
63. The impact of the pandemic was highlighted as having had a serious impact on the viability of some 2nd and 3rd tier aerodromes. This had resulted in some challenging conversations with stakeholders.
64. The Board noted the report.

X WHISTLEBLOWING ANNUAL REPORT (DOC 2021-83) BY SEAN PARKER

65. The Board welcomed Sean Parker to the meeting.
66. There had been a reduction in whistleblowing reports in 2020, but the reduction was not as significant as might have been expected given the impact of the pandemic on the aviation sector. The quality of reports upon which the CAA could take action had also decreased.
67. It was confirmed that the CAA would follow up on reports of whistle blowing through unplanned audits and site checks.
68. The Board was advised that details of the reporting process for whistle blowers could be found via a Google search. Work had also been done to train CAA staff in taking reports from whistle blowers.
69. It was queried whether there was an ongoing relationship with the police to share information on aviation-related incidents. Attempts to engage police forces had been made in the past, but this had proved challenging due to the number of forces and the different ways in which incidents had been treated.
70. The Board queried whether it would be possible to demonstrate the impact that whistleblowing reports had made.

Action: Sean Parker to consider how the impact of reports could be demonstrated.

71. The Board noted the report.

XI FORWARD AGENDA INCLUDING DRAFT NOVEMBER BOARD AGENDA

72. With the publication of the H7 consultation, it was proposed that November's ExCo PIE session would be used as a forum for both HAL and airlines to make representations to the Board. However, following requests from both parties, the January PIE will now be used for the stakeholder session.

IV. AOB

73. It was noted that the ICAO security audit had concluded. The CAA was currently reviewing the recommendations and an update to the Board would follow at a later date.

Date and Time of Next Meetings:

Wednesday 17 November 2021, 11:00 hours, at Aviation House